



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

A-570-928

Uncovered Innerspring Units from the People's Republic of China: Affirmative Final Determination of Circumvention of the Antidumping Duty Order

AGENCY: Enforcement and Compliance, formerly Import Administration, International Trade Administration, Department of Commerce

SUMMARY: On July 11, 2013, the Department of Commerce ("the Department") published the affirmative preliminary determination of circumvention of the antidumping duty order on uncovered innerspring units ("innerspring units") from the People's Republic of China ("PRC").¹ We gave interested parties an opportunity to comment on the *Preliminary Determination*. Based on our analysis of these comments and the facts of record, our final determination remains unchanged from the *Preliminary Determination*.

EFFECTIVE DATE: (Insert date of publication in the *Federal Register*.)

FOR FURTHER INFORMATION CONTACT: Steven Hampton, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0116.

SUPPLEMENTARY INFORMATION:

Background

On July 11, 2013, the Department published the *Preliminary Determination* finding that innerspring units completed and assembled in Malaysia by Reztec Industries Sdn Bhd ("Reztec") and exported to the United States are circumventing the antidumping duty order on innerspring

¹ See *Uncovered Innerspring Units from the People's Republic of China: Affirmative Preliminary Determination of Circumvention of the Antidumping Duty Order*, 78 FR 41784 (July 11, 2013) ("*Preliminary Determination*").

units from the PRC,² as provided in section 781(b) of the Tariff Act of 1930, as amended (“the Act”). We invited interested parties to comment on the *Preliminary Determination*. On August 19, 2013, Reztec filed a case brief.³ On August 26, 2013, Leggett & Platt, Incorporated (“Petitioner”) submitted a rebuttal brief.⁴ The Department has conducted this anticircumvention inquiry in accordance with section 781(b) of the Act and 19 CFR 351.225.

Scope of the Antidumping Duty Order

The merchandise subject to the order is uncovered innerspring units.⁵ The product is currently classified under subheading 9404.29.9010 and has also been classified under subheadings 9404.10.0000, 9404.29.9005, 9404.29.9011, 7326.20.0070, 7320.20.5010, 7320.90.5010, or 7326.20.0071 of the Harmonized Tariff Schedule of the United States (“HTSUS”). The HTSUS subheadings are provided for convenience and customs purposes only; the written product description of the scope of the order is dispositive.

Scope of the Anticircumvention Inquiry

The products covered by this inquiry are innerspring units, as described above, that are manufactured in Malaysia by Reztec with PRC-origin components and other direct materials, such as helical wires, and that are subsequently exported from Malaysia to the United States.

² *Id.*

³ See Letter from Reztec to the Department regarding Uncovered Innerspring Units from the People’s Republic of China: Case Brief of Reztec Industries Sdn Bhd dated August 19, 2013.

⁴ See Letter from Petitioner to the Department regarding Uncovered Innerspring Units from the People’s Republic of China dated August 26, 2013.

⁵ For a complete description of the scope of the subject antidumping duty order, see Memorandum to Christian Marsh, Acting Assistant Secretary for Enforcement and Compliance, from James C. Doyle, Director, Office V, Antidumping Duty and Countervailing Duty Operations, entitled “Anticircumvention Inquiry Regarding the Antidumping Duty Order on Uncovered Innerspring Units from the People’s Republic of China: Issues and Decision Memorandum for the Final Determination” and dated concurrently with this notice (“Issues and Decision Memorandum”).

Analysis of Comments Received

All issues raised in the case briefs by parties in this circumvention inquiry are listed in the Appendix to this notice and addressed in the Issues and Decision Memorandum, which is hereby adopted by this notice. The Issues and Decision Memorandum can be accessed directly on the internet at: <http://enforcement.trade.gov/frn/> and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System ("IA ACCESS"). IA ACCESS is available to registered users at <http://iaaccess.trade.gov> and in the Central Records Unit, room 7046 of the main Department of Commerce building. The signed Issues and Decision Memorandum and the electronic version of the Issues and Decision Memorandum are identical in content.

Final Determination

In the *Preliminary Determination*, the Department found, using partial adverse facts available, that innerspring units completed and assembled in Malaysia by Reztec using components from PRC and exported from Malaysia to the United States are circumventing the *PRC Innerspring Units Order*⁶, pursuant to section 781(b) of the Act. Moreover, because Reztec cannot distinguish between those innerspring units it is exporting to the United States which contain PRC-origin components and those that do not, the Department preliminarily determined that it is appropriate to instruct U.S. Customs and Border Protection ("CBP") to suspend liquidation of all entries of innerspring units from Malaysia produced by Reztec as subject to the *PRC Innerspring Units Order*. Our final determination remains unchanged from our *Preliminary Determination*. Therefore, the Department determines that it is appropriate to

⁶ See *Uncovered Innerspring Units from the People's Republic of China: Notice of Antidumping Duty Order*, 74 FR 7661 (February 19, 2009) ("*PRC Innerspring Units Order*").

include this merchandise within the scope of the *PRC Innerspring Units Order* and to continue to instruct CBP to suspend all entries of innerspring units from Malaysia produced by Reztec.

Continuation of Suspension of Liquidation

In accordance with section 781(b) of the Act and 19 CFR 351.225(1)(3), the Department will continue to direct CBP to suspend liquidation and to require a cash deposit of estimated duties at the rate applicable to the exporter on all unliquidated entries of innerspring units from Malaysia produced by Reztec that were entered, or withdrawn from warehouse, for consumption on or after May 23, 2012, the date of initiation of the anticircumvention inquiry.⁷

Notice to Parties

This notice serves as the only reminder to parties subject to the administrative protection order (“APO”) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely written notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

This final affirmative circumvention determination is published in accordance with section 781(b) of the Act and 19 CFR 351.225.

Christian Marsh
Acting Assistant Secretary
for Enforcement and Compliance

January 13, 2014
Date

⁷ See *Uncovered Innerspring Units from the People’s Republic China: Initiation of Anticircumvention Inquiry*, 77 FR 30501 (May 23, 2012).

Appendix

DISCUSSION OF THE ISSUES:

Comment 1: Whether the Department Should Continue to Find Reztec's Malaysian Production Process to be Minor or Insignificant

Comment 2: Application of Partial AFA with respect to Whether the Value of the Merchandise Produced in the PRC is a Significant Portion of the Total Value of the Merchandise that Reztec Exported from Malaysia to the United States

Comment 3: Whether the Department Should Provide Additional Guidance to Reztec Regarding Future Compliance with Any Affirmative Finding

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